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Via Courier

October 1, 2008

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

FILED/ACCEPTED

OCT - 1 2008

Federal Communications Commission
Office of the Secretary

Re: San Carlos Apache Telecommunications, Inc.
Annual Report and Certifications Pursuant to 47
C.F.R. 54.209(a)
CC Doc. No. 96-45


Dear Ms Dortch:

San Carlos Apache Telecommunications, Inc. ("SCATUI"), by its attorney, files an original and four copies of the annual report and certifications required by Section 54.209(a) of the Commission's Rules. SCATUI was designated an eligible telecommunications carrier by the Commission pursuant to 47 U.S.C. 214(e)(6) of the Communications Act on February 27, 1998. The Report addresses each of the subsections of the rule and includes as appendices verification, a certification, and a map. SCATUI the certification required by Section 54.314 of the Rules yesterday, September 30, 2008.

Although some of the rules appear directed towards competitive wireless carriers rather than incumbent local exchange carriers, SCATUI has made a good faith effort to provide the information requested. If additional information is required, SACATUI will attempt to provide it if possible.

Please direct any questions in this matter to me.

Sincerely yours


David Cosson
Attorney for San Carlos Apache
Telecommunications, Inc.

Attachment: Section 54.209(a) Annual Report

No. of Copies rec'd. 044
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SAN CARLOS APACHE TELECOMMUNICATIONS UTILITY, INC. ELIGIBLE TELECOMMUNICATIONS CARRIER ANNUAL REPORT

The following is the annual report for San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company) in compliance with 47 C.F.R. § 54.209. As a tribally owned company, SCATUI is not subject to the jurisdiction of a state regulatory authority. Consequently, SCATUI was designated as an eligible telecommunications carrier (ETC) by the Federal Communications Commission (Commission) under section 214(e)(6) on February 27, 1998.¹ This report contains accurate facts as attested to by Appendix A.

§ 54.209(a)(1) Five-Year Service Improvement Plan

SCATUI is a wireline incumbent local exchange carrier (ILEC) that received its ETC designation over nine (9) years ago (prior to the adoption of § 54.209), and filed a five-year plan in 2006 with its first annual report. As explained in last year's report SCATUI acquired its only exchange, San Carlos, from U.S. West in 1995 and expanded the U.S. West exchange boundary to include the entire San Carlos Apache Reservation area, approximately 2,854 square miles in Southeastern Arizona. Previously, the U.S. West exchange area encompassed only about 25% of the total Reservation area, and the plant in service at that time did not provide service coverage to all portions of the exchange. Since beginning operations as an ILEC to the present time, SCATUI has made significant capital investments and network improvements to benefit all of its customers. SCATUI has increased its customer base from 607 customers upon acquisition of the exchange to over 2,700 customers. The Company has only one wire center (CLLI code PRDTAZ01DSO). A map of the Company's service area is included as Appendix C to this filing.

The following chart is SCATUI's updated five-year service improvement plan chart which shows the actual capital expenditures made during 2006 and 2007 and the updated projections for years 2008 through 2010. The major differences between last year's proposed capital expenditures and its actual capital expenditures are an increase in the loop facilities and building improvements made and a decrease in the expenditures made in the categories of Carrier Equipment and Transport Equipment. Loop facilities improvements consist of the installation of fiber to the premises as existing copper is exhausted or has met its useful life and new Greenfield developments.

During 2007 and 2008, SCATUI continued the process of upgrading existing digital loop carrier sites and switch locations and installing five new digital loop carrier sites. Those continue to be in the process of being put into service. Also, customers being switched through the existing TDM switch and remote are systematically being transferred to the new softswitch and electronics. When all customers are transferred over to the new softswitch and electronics, the TDM switch and remote will be retired.

No additional improvements have been projected since last year's adjustments.

¹ See, *Designation of Fort Mojave Telecommunications, Inc., Gila River Telecommunications, Inc., San Carlos Apache Telecommunications Utility, Inc., and Tohono O'odham Utility Authority as Eligible Telecommunications Carriers Pursuant to Section 214(3)(6) of the Communications Act*, Memorandum Opinion and Order, DA 98-392, 13 FCC Rcd 4547 (CCB, 1998).

SCATUI Five-Year Service Improvement Plan

SCATUI's Capital Expenditures	Actual	Actual	Proposed	Proposed	Proposed	Proposed
	2006	2007	2008	2009	2010	Total Cost
OSP Projects						
Loop Facilities	\$1,500,000	\$1,200,000	\$350,000	\$400,000	\$500,000	\$4,200,000
Building & Land	\$655,000	\$950,000	\$85,000	\$450,000	\$250,000	\$1,690,000
Switch						
Softswitch Upgrade	\$269,000	\$21,000	\$197,000	\$0	\$0	\$487,000
Digital Loop Carrier						
Upgrade and install new DLCs	\$750,000	\$0	\$290,000	\$150,000	\$150,000	\$1,770,000
Transport Network						
Sonet OC-48 Network	\$250,000	\$0	\$150,000	\$0	\$0	\$400,000
Miscellaneous						
Vehicles & Equipment	\$57,000	\$56,000	\$15,000	\$100,000	\$200,000	\$562,000
Engineering	\$460,000	\$360,000	\$160,000	\$130,000	\$155,000	\$1,265,000
GRAND TOTAL	\$3,941,000	\$2,587,000	\$1,247,000	\$1,080,000	\$1,385,000	\$10,240,000

§ 54.209(a)(2) – Outage Information

In its annual report an ETC is required to provide detailed information on any outage, as the term is defined in 47 C.F.R. §4.5, of at least 30 minutes in duration for each service area in which an ETC is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (a) at least ten percent of the end users served in a designated service area; or (b) a 911 special facility.

During the past twelve months, SCATUI experienced no outages greater than 30 minutes.

§ 54.209(a)(3) – Unfilled Service Requests

During the past twelve months, SCATUI has had four service requests for T1 circuits that could not be filled due to the lack of facilities between Qwest and SCATUI.

§ 54.209(a)(4) – Customer Complaints

During the past twelve months, SCATUI received an average of twenty (20) complaints (trouble reports) per 1,000 access lines.

§ 54.209(a)(5) – Service Quality and Consumer Protection Certification

As a company owned by the San Carlos Apache Tribe, it is reasonable that SCATUI operates under service quality standards and customer protections that are in the best interest of its customers, who are mostly members of the Tribe. The rates, terms and conditions under which SCATUI operates are outlined in its Local Exchange Tariff which was modeled after the tariffs of state regulated small rural ILECs, although SCATUI itself is not regulated by the Arizona Corporation Commission (ACC). SCATUI modifies its tariff from time to time with approval of, or at the request of the Tribal Council. The Company's tariff contains provisions regarding its customer service and protection practices, including resolving disputes with the Company, applying for service, the classification of business and residential rates, deposits, billing and payment for service, refusal, disconnection and cancellation of service. The tariff is available for customer review in the Business Office, as requested. Rates and terms of service are disclosed to customers upon application for service both verbally and in writing as part of a packet of information for new customers. Rates, applications and certain terms of service are also available on SCATUI's website www.scatui.net.

Service quality standards are established by the SCATUI Board of Directors, with a Tribal Council liaison sitting on the Board. Monthly reports on service quality compliance are provided to the Board, with periodic updates to the Tribal Council.

Certification that the Company is complying with applicable service quality standards and consumer protection rules is included as Appendix B.

§ 54.209(a)(6) – Ability to Remain Functional in an Emergency Situation

SCATUI's network is designed to remain functional in an emergency situation. Standby power generators are supplied at the central office, remote switch sites, and repeater sites to ensure functionality without an external power source until power is restored, so long as fuel is available. The network is capable of managing traffic spikes resulting from emergency situations.

As mentioned previously, SCATUI's service area consists of only one exchange. With a TDM host switch and a remote still functioning until all customers are transferred over to the softswitch, the Company's current ability to reroute traffic around damaged facilities is still somewhat limited; however, SCATUI has a restoration plan in place to restore any disruption in service expeditiously, including splicing of damaged facilities when warranted. The remote switch has emergency stand-alone capability and the Company also has a contract in place for the provisioning of a next-day switch if necessary. SCATUI has installed a fiber ring that increases the survivability of approximately two-thirds of its network. Implementation of the ring allows SCATUI to maintain service to most of their remote electronic sites in the event of a cable or transport equipment malfunction, making SCATUI's network more efficient, economical and reliable.

Certification that the Company is able to function in emergency situations is included as Appendix B.

§ 54.209(a)(7) – Local Usage Plan Certification

An ETC is required to certify that it is offering a local usage plan comparable to that offered by the incumbent LEC. Because SCATUI is the incumbent LEC, this certification is not logically applicable to SCATUI. However, recognizing that local usage is a component of the supported services, SCATUI can certify that it offers unlimited minutes of local calling to its customers throughout its service area.

Certification to the availability of unlimited minutes of local calling is included as Appendix B.

§54.209(a)(8) – Equal Access Certification

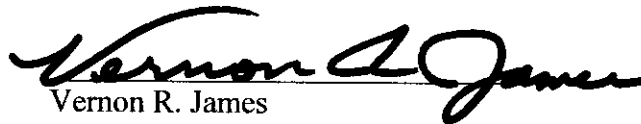
An ETC is required to provide certification acknowledging that the Commission may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within its service area. As the incumbent LEC, SCATUI currently provides equal access to long distance carriers pursuant to §51.209.

Certification to equal access provisioning is included as Appendix B.

VERIFICATION

I, Vernon R. James, do hereby declare under penalty of perjury as follows: I have read the foregoing report and to the best of my knowledge and belief, the facts stated therein are true.

San Carlos Apache Telecommunications Utility, Inc.

A handwritten signature in black ink, appearing to read "Vernon R. James", written over a horizontal line.

Vernon R. James
CEO and General Manager

9/26/08

Date

Certifications Pursuant to §54.209

I, Vernon R. James, do hereby declare, to the best of my knowledge and belief, under penalty of perjury the following:

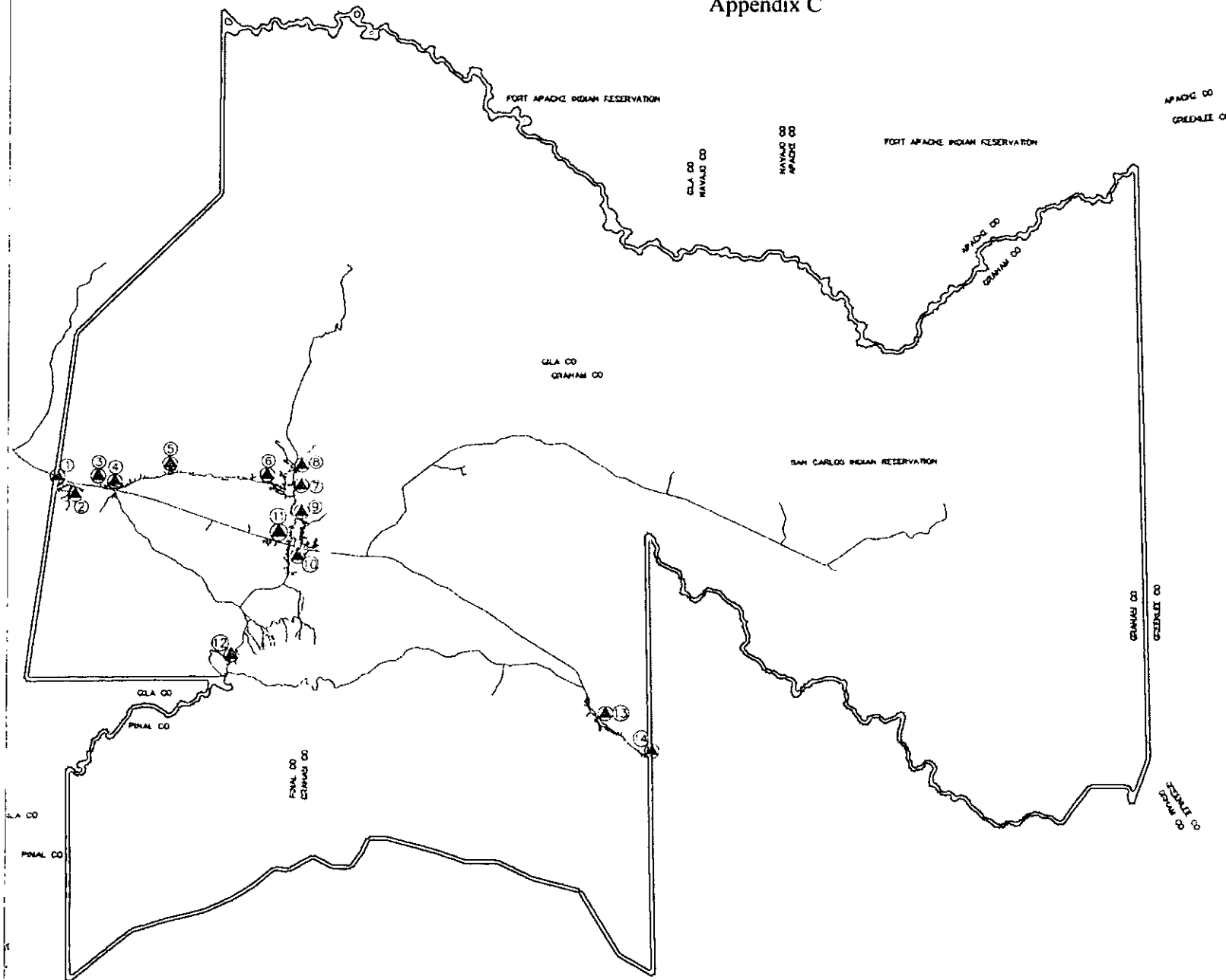
1. San Carlos Apache Telecommunications Utility, Inc. (SCATUI or the Company) complies with service quality standards and consumer protection rules as initially agreed upon by the San Carlos Tribal Council and as provided in the Company's tariffs.
2. SCATUI is able to function in emergency situations. SCATUI has a reasonable amount of back-up power to ensure functionality without an external power source, and is capable of managing traffic spikes. Although SCATUI's ability to reroute traffic around damaged facilities is limited, there is a restoration plan in place for the expeditious recovery of service.
3. As an incumbent LEC, SCATUI offers service plans to its customers with unlimited minutes of local calling throughout the service area.
4. SCATUI provides equal access to long distance carriers pursuant to §51.209.

San Carlos Apache Telecommunications Utility, Inc.


Vernon R. James,
CEO and General Manager

9/26/05
Date

Appendix C



General Notes

1. West Boundary
2. Beverly Hills
3. Casino
4. Cutter
5. Skill Center
6. Detention Center
7. North San Carlos
8. Airport 79
9. Again Bridge
10. Moonbase
11. C.O.
12. Coolidge Dam
13. Bylas
14. East Boundary

Drawn By: 4th

File: \Exchange Map.dwg

NORTH

Rev: 01/18/06 Date:

Made By:



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SCALE

Project: A2 512

Date: 09/18/06

Scale: N.T.S.